

GLOBAL COMPACT

Communication on Progress 2022

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STATEMENT OF CONTINUED SUPPORT BY CHIEF EXECUTIVE

Copenhagen 05 May 2022

I am pleased to confirm that PEMconsult A/S continues to support the ten principles of the Global Compact with respect to human rights, labour, environment, and anti-corruption.

With this communication on progress, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture, and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

PEMconsult A/S will make a clear statement of this commitment to our stakeholders and the general public. We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles.

We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Yours Sincerely,



Søren-Erik Svendsen, Managing Director
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INTRODUCTION

PEMconsult is an international consultancy company advising bilateral and multilateral institutions including the European Commission, UN agencies, international and regional development banks, as well as NGO's and private sector clients. Using a multi-disciplinary approach, our expertise ranges from evaluation to institutional and organisational development, and economic and strategic financial management in three thematic areas: inclusive and sustainable development; environment and climate change; and governance, human rights, and civil society. We aim to work cross-sectoral and our acronym: People – Environment – Management illustrating this approach of linking expertise in a people-centred way. Our outreach is global, and we work in large consultancy-, partner- and framework-based networks. These changing environments inform the client-oriented approach of our company and the trust on which we build future partnerships. The United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement is essential to PEM's core business and the services we deliver.

This Communication on progress report includes description of actions and measurement of outcomes on the ten principles of the UN global compact under the four issue areas; human rights, labour, environment, and anti-corruption.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: make sure that they are not complicit in human rights abuses.

PEM wish to work for sustainable development. We carry out our work with high professional standards, integrity, and respect for human rights as well as the relevant legislation in the countries in which we work. At PEM we undertake human rights, good governance, and social development assignments across the full project cycle and in Africa, Asia, and Latin America for our bilateral and multilateral clients. We also do assessments and studies, including business & human rights-focused analysis for development projects and programmes. We are conducting an evaluation of the EU's cooperation with Guatemala, which involves support to civil society organisations in promoting and protecting human rights, gender equality, and democracy. Further, we have evaluated: EU's support to civil society organisations and local authorities which involve good governance and, in many countries, involve a human rights focus, and EU's cooperation with Myanmar where the evaluation found that the support to the different sectors was mutually reinforcing, since lasting peace is a precondition for long-term development and democratic transition as it creates stable conditions for investment in economic activities and job creation, political participation and protection of human rights; and at the same time, democratic participation, rule of law, and rural economic opportunities addresses important root causes of conflict, while education increases capacities to engage in the democratic process and livelihoods opportunities, and promotes social and ethnic inclusion.

Actions

We ensure that our approach is state of the art and that our partners and consultants learn from each other in this area. We engage with highly knowledgeable experts and professionals in the area of good governance and human rights.

Measurement of outcomes

We monitor through our quarterly board meetings and reporting on the UN Global Compact. Furthermore, the quality of the work that we do is reflected by the assignments of this type entrusted to us. PEM has not been involved in any legal cases, rulings, or other events related to human rights.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Principle 6: The elimination of discrimination in respect of employment and occupation

Similar to human rights, labour rights and the Decent Work Agenda are increasingly components or cross-cutting issues that are addressed in the assignments undertaken for clients. We have an in-house expert on decent work and SDG 8.

Actions

We comply with all labour regulations in Denmark and abroad. We undertake annual appraisals. Periodically we have used consultants to ensure that office staff have an ergonomically well-equipped working place.

Measurement of outcomes

PEM has not been involved in any legal cases, rulings, or other events related to labour rights.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

The promotion of sustainable development is PEM's core business, and the commitment to sustainable development is also a core value and part of our identity. Through our assignments for our clients and cooperation with partners and stakeholders across the globe, we contribute to an economic development that reduces poverty and vulnerability, increases equality and transparency, protects, and manages the environment and natural resources, and reduces the emission of greenhouse gases. In short, we contribute to green growth, low-carbon development, and handing over a healthy planet to future generations. Illustrative assignments over the last year include Mid-Term Review/Evaluation of the Global Energy Transformation Programme (GET.pro), Midterm Review of the Organisation Strategy for Denmark's engagement with the Green Climate Fund (GCF) 2021-2023, Evaluation of Think Nature project in Bosnia and Herzegovina, External Mid-term Review of UN-Water Integrated Monitoring Initiative for SDG 6, Formulation of climate-related support to Ukraine as part of the Danish Neighbourhood Programme (DANEP) 2022-2026. Besides this, we work with local governments and partners across Africa (Sierra Leone, Lesotho, Tanzania) on World Bank-funded water sector assignments.

However, PEM operates globally, carrying out assignments for a range of international clients in countries all over the world, and as a result frequent air travel is an inevitable part of our operations. PEM is acutely aware that air travel unfortunately is an increasing source of greenhouse gas emission, contributing approximately two per cent of global carbon emissions. Air travel is by far where PEM has its biggest environmental and climate-related footprint. Hence, since PEM cannot avoid air travel, we commit ourselves to offset our carbon emissions as the second-best option to act as a responsible firm. Our carbon offsetting scheme is two-pronged in order to maximise its positive impact: a) we utilise the airlines' own carbon compensation schemes, and b) we bring our professional expertise and international network into play with the PEM Carbon Partnership, launched in connection with PEM's 25-year anniversary in 2020.

Actions

We comply with all Danish regulations on environment. Our own impact is small, but we try to manage it through cost cutting efforts (waste, energy). We have moved to a shared office space that limits our own impact significantly (smaller office and shared facilities). In our new office we have increased our recycling efforts of paper, cardboard, and other waste. Further, when we moved office, we decided to donate most of our office furniture, kitchen equipment and various other items such as folders, as the new office is smaller and furnished. We donated it to Danish Relief Group¹ who ship good quality recycled furniture and other items to schools,

¹ <https://dkrelief.dk/>

kindergartens, hospitals etc. in Eastern Europe and Africa.

To compensate for our impact from air travel, we have established the PEM Carbon Partnership to offset our carbon footprint with a view to being carbon neutral. The PEM Carbon Partnership contributes to the Integrating Livelihoods and Conservation People Partner with Nature for Sustainable Living (PPN) project implemented by BirdLife Denmark.

Measurement of outcomes

PEM has not been involved in any legal cases, rulings, or other events related to environment.

Regarding our carbon offsetting scheme, it is not a requirement that the supported projects measure the emission reductions, considering the anticipated amount of funding for the partners and since this is currently difficult for developing countries. Rather, the support is based on current knowledge about carbon emission sources and sinks – for example, if a project increases biomass, prevents the loss of biomass and carbon stored in soil, or reduces the consumption of fossil or biomass-based fuels, then it is safe to assume that carbon emissions are abated. If deemed necessary, the project proponent or another PEM Partner may on a voluntary basis be designated to follow the implementation of the Carbon Partnership, e.g., by reviewing progress and evaluation reports and engage in dialogue with the implementing partner.

ANTI-CORRUPTION

Principle 10: Businesses should work against all forms of corruption including extortion and bribery

We will not in our services or in any other activity directly or indirectly, accept bribery, extortion, fraud, collusion, or any other undue business activity. PEM has developed a code of ethics and Business Integrity Management System (BIMS) based on best practices from working extensively with Danida's anti-corruption code of conduct and the principles of the UN Global Compact. As a basic principle PEM staff members and any person or sub-contractor hired are bound by values of integrity, transparency and responsibility and conduct business to the highest ethical standards and consequently do not tolerate bribery and corrupt behaviour as outlined in our BIMS and code of ethics. The Board of Directors oversee these matters and appoints a Business Integrity Manager.

Actions

Each employee and partner of PEM is required to work in accordance with the Code of Ethics and the applicable laws in Denmark as well as in other countries where services are rendered, and with respect and consideration for cultural differences. We are a member of Transparency International.

Measurement of outcomes

PEM's accounts are audited by a state –authorized public accountant once a year. PEM has not been involved in any legal cases, rulings, or other events related to corruption.